BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Exports of BC products were 6.7% higher in December than in the same month of 1998.** The increase was due to continued strength in the forest products sector (+10.9%). International shipments of consumer goods were also significantly higher (+15.1%) than in December 1998. However, agriculture and fish (-5.0%) and automotive product (-1.6%) exports were down, while shipments of energy (+0.1%) and industrial goods (+0.1%) were flat. Canadian exports rose 11.6% in December, led by strong advances in Alberta (+38.3%) and Atlantic Canada (+35.6%). Exports also rose in every other region, with increases ranging from +3.3% in Manitoba to +11.5% in Quebec. *Source: Statistics Canada*

- **Exports of BC products increased 10.2% to reach a record-high $28.7 billion in 1999, more than recouping a 2.6% loss in the previous year.** Automotive products (+39.5%) posted the strongest gain, bolstered by increased shipments of trucks and wheels manufactured in the province. These two commodities account for about two-thirds of BC's automotive product exports. By comparison, exports from Ontario's booming automotive sector were up 26.1%. BC forest product exports recovered in 1999, increasing 14.8%. International shipments of most other goods made in the province were also well above 1998 levels. The exceptions were industrial goods (-4.6%) and energy (-1.4%).

  Canadian exports increased 11.1% in 1999, as exports rose in every province except Manitoba (-1.5%) and Saskatchewan (+0.1%). A boom in energy product exports from these provinces was more than offset by weak international shipments of agriculture products. Forty percent of Saskatchewan's exports, and 27% of Manitoba's, are farm products. Quebec (+7.8%) was the only other province where export growth was well below the national average. All other provinces posted double-digit increases, ranging from 10.2% in BC to 21.5% in PEI. *Source: Statistics Canada*

- **Shipments of goods manufactured in the province were up 2.7% (seasonally adjusted) in December, ending the year on a strong note as both the non-durable (+3.3%) and durable (+2.3%) sectors recovered from weakness earlier in the fall.** On the durables side, shipments rose in all but two industries: electrical and electronic products (-5.2%) and non-metallic minerals (-0.4%). Producers of non-durable goods had a more mixed performance, as strong advances in the paper (+5.7%) and food (+3.9%) industries offset weakness in other industries.

  Canadian shipments rose 1.3% between November and December, boosted by BC's comeback and gains in Ontario (+1.9%) and two of the four Atlantic provinces: New Brunswick (+3.3%) and Nova Scotia (+2.3%). Quebec (+0.5%) was the only other province where shipments rose. In the rest of the country, shipments were weak, declining at rates ranging from –0.1% in both Alberta and Saskatchewan to –18.3% in Newfoundland.
  Source: Statistics Canada

- **Forest products fuelled a rebound in BC's manufacturing sector last year, as shipments rose 9.2% after posting declines or marginal gains in the previous three years.** Both wood (+19.3%) and paper (+10.6%) manufacturers had their best year since the early 1990s. Shipments by furniture & fixture (+17.4%), plastic (+16.5%), transportation equipment (+13.1%), petroleum & coal products (+11.2%) and miscellaneous goods manufacturers (+10.5%) also increased at double-digit rates. However, not all manufacturers

Report **Revisions to the Labour Force Survey**

Did you know...

Last year, Canadians were as likely to use a debit card (38%) as cash (39%) to pay for their purchases. One in five (19%) used credit cards and 3% wrote cheques. Cash is still the preferred choice for small purchases ($25 or less) and credit cards, for big ones ($100 or more). But people spending between $25 and $100 are most likely to pay with a debit card.

fared as well. Food processors' shipments fell (-0.3%) for the third straight year, and shipments by the electrical and electronic equipment industry dropped (-10.7%) for the first time since 1991.

Source: Statistics Canada

- **New motor vehicle sales in the province rose 6.6% during 1999, as BC consumers began to return to automotive showrooms after staying away in the previous year.** Sales of both cars (+8.5%) and trucks (+5.0%) improved. Sales of overseas-made vehicles rose (+15.7%) after spending most of the 1990s in the doldrums. The number of North American manufactured vehicles sold in the province also increased (+4.9%). Canadian sales were up 7.9%, bolstered by gains in every part of the country except the prairies. Ontario (+13.1%) led the provinces. *Source: Statistics Canada*

How Long do Businesses Survive?

- **BC firms that went into business between 1984 and 1994 had a 77% chance of surviving their first year.** Survival rates fall off rapidly during the first five years of a firm's tenure. After two years, 60% of BC firms are likely to still be in business. The survival rate falls to 49% after 3 years, 41% after 4, and 35% after 5 years, indicating that that about a third of new businesses are likely to last for at least half a decade. Having reached their fifth anniversary, firms have a 90% chance of making it through another year. Still, only one in five (18%) BC companies is likely to be operating a decade after start-up. *Source: SC, Catalogue 61-526*

Livestock Inventories

- **BC farmers owned fewer cattle, hogs and sheep at the beginning of this millennium than at the end of the last one.** On January 1st, there were 612,000 cattle, 148,000 hogs and 46,000 sheep and lambs on BC farms. That compares to 634,000 cattle, 153,000 hogs and 52,000 sheep and lambs a year earlier. Canadian livestock inventories have also declined, falling to 12.7 million cattle, 12.3 million hogs and 684,000 sheep and lambs. *Source: Statistics Canada*

Tourism

- **Last year, 8.3 million non-residents entered Canada through BC ports of entry, 5.4% more than in the previous year.** The increase came as entries from countries other than the US picked up (+8.6%, following a 9.4% decline in 1998) at the same time that growth in US entries moderated (+4.8%, compared to +11.1% in 1998). Entries from Asia (+9.7%) recovered after falling nearly a fifth (-18.2%) in 1998, while entries from Europe (+7.8%) were up for the first time in three years.

  The number of Canadians returning home via BC from the US and abroad continued to fall (-8.3%), as it has during most of the 1990s. Re-entries from the US were down 8.9%, while resident re-entries from other countries, which had continued to climb during the 1990s despite the low value of the Canadian dollar, were flat (-0.1%) in 1999. *Source: Statistics Canada*

Travelling by Bus

- **Bus companies that specialize in providing sightseeing services made significant gains during the late 1990s.** Between 1995 and 1999, the number of Canadian bus operators reporting that they specialized in sightseeing increased from 3 to 15. Sightseeing companies had revenues of about $8 million during the first half of 1999, up from $1 million for the first six months of 1995. Several sightseeing companies began to operate in BC and Ontario during 1997 and 1998. Sightseeing is still only a small segment of the industry. Total revenues for scheduled intercity services were $122 million during the first half of last year (up 4.3% from the same period of 1998), while urban transit services saw revenues rise 1.7% to $919 million. As a rule, slightly less than half of all passengers who use bus services travel in the first six months of the year. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

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Infoline Report:

Revisions to the Labour Force Survey

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Originally published in the January 2000 issue, *Labour Force Statistics*. Annual subscription: $60 + GST

Introduction . . . The Labour Force Survey (LFS) has undergone a major revision which includes two important changes. First, all LFS estimates have been "re-based" to reflect population counts from the 1996 Census instead of the 1991 Census. Second, a new method of estimation called "composite estimation" has been adopted. This new more statistically efficient method of estimation used in producing results for the survey responses reduces the sample error and hence reduces the volatility of the month-to-month changes for a number of variables published by the LFS.

A Note to Readers

All previously published LFS estimates have changed and been revised back to January 1976 to reflect the Census 1996 re-basing and introduction of "composite estimation". Analysis and comparisons of labour market variables from the LFS must now only be made with the revised historical data released by Statistics Canada on February 1st, 2000. All LFS data has been revised in Statistics Canada's CANSIM databases. Additional detailed historical data will be released at the end of February, 2000.

B.C. STATS has updated historical databases with LFS data using the revised data made available by Statistics Canada. Please note that the data tables accompanying this "Labour Force Statistics" publication reflect the revised historical data. This revised data replaces all prior published data reported in the December 1999 issue of "Labour Force Statistics" (issue 1999-12) and previous issues.

For those interested in additional information on these revisions to the LFS, please see "Improvements in 2000 to the LFS" found on the Statistics Canada's Web site at:

http://www.statcan.ca/english/concepts/method.htm

Population Re-basing . . . The Labour Force Survey uses estimates of population as benchmarks for producing survey estimates of labour force characteristics. The population estimates start with a Census base and are updated using administrative data to reflect the current population of Canada. Having a good population base is crucial for a sample survey like the LFS because the responses from the sample each month must then be weighted to represent the correct portion of the working age population of Canada that will be assigned to each labour force variable, whether it be employed, unemployed, or not in the labour force.

Beginning with the data for January 2000 from the LFS survey released today, population estimates used by the LFS have changed from a 1991 Census base to a 1996 Census base. All prior historical data have also been re-based to the 1996 Census and been revised. The impact for most provinces from this change has reduced aggregate historical levels of working age population, employment and unemployed persons, but in B.C.'s case it has raised them. Lesser change has occurred for employment rates, labour force participation rates andunemployment rates due to the re-basing.

Estimates of net Census undercoverage (those persons who at the time of the Census were missed and not enumerated by the Census) have been made by Statistics Canada to supplement the accuracy of 1991 and the 1996 Census data. (Note that in the 1986 Census and prior Censuses, no population undercoverage estimates were undertaken.) To create a stable and consistent population base on which to calculate labour force characteristics data, these undercoverage adjustments to the 1996 Census have also been reflected in the rebasing of the LFS estimates. By necessity, all labour force data in the LFS have been revised back to January, 1976.

Composite Estimation . . . A new more statistically efficient method for estimation of the LFS results has been adopted which yields reduced sample error. This has the effect of enhancing data reliability and reducing volatility in the data series. The new "composite estimation" technique changes the degree of emphasis on the LFS sample to weight more upon the existing 5/6th of the sample rotation from the previous month and less on the 1/6th of the sample which changes each month. Statistics Canada found a higher non-response bias for key members of the sample the first month they enter the survey, but this reduces considerably as they participate in the sample over their final five months of participation in the survey.

All LFS data for January 2000 for both actual and seasonally adjusted estimates are based on this composite estimation. For consistency, all historical monthly and annual data have been re-estimated and revised using this composite estimation technique back to 1976.

A key advantage of the new published LFS data at the provincial level is that Statistics Canada now provides seasonally adjusted **monthly** data for men, women, youth (15-24), adults (25+), full-time and part-time employment, and employment by industry. This is a useful change and replaces the often confusing seasonally adjusted estimates for these variables which previously were published on a **three month moving average** basis.

Revised versus Unrevised LFS Data . . . To illustrate the impact of the Census re-basing and composite estimation which are reflected in the revised LFS data, Figure 1(a) shows monthly employment levels in B.C. from January 1990 to December 1999. The general upward movement in B.C. employment level reflects the re-basing to the 1996 Census, while the smoother appearance of the revised employment data is due to the composite estimation.

Figure 1(b) shows the revised and unrevised estimates of the B.C. employment rate (employment/population ratio). Again, though fluctuations from month to month still appear in the revised series, they are notably less volatile than with the unrevised data.

Figure 1: Comparison of Revised and Unrevised B.C Employment and Employment Rate, seasonally adjusted monthly data

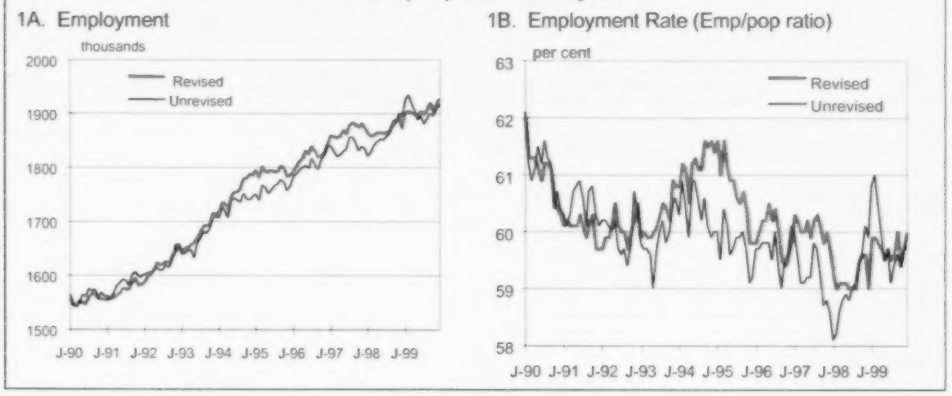
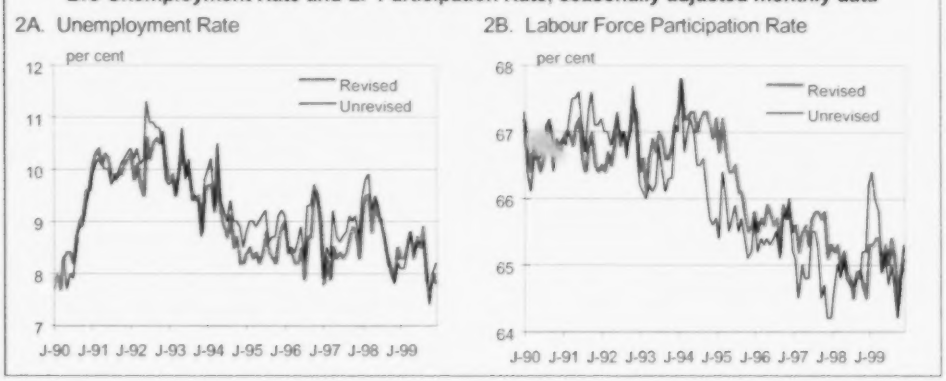


Figure 2(a) below shows revised and unrevised unemployment rates for B.C. The revised unemployment rate sees less of a change difference in level than with either employment or the employment rate.

Figure 2(b) shows the labour force participation rate (the percentage of the working age population aged 15 and older that is participating in the labour market either by working or looking for work).

On a monthly basis, the unrevised labour force participation rate for B.C. appears to be significantly more volatile in month to month movements. The composite estimation technique used for the revised labour force participation rate series has provided some considerable smoothing in the data over time.

Figure 2: Comparison of Revised and Unrevised B.C Unemployment Rate and LF Participation Rate, seasonally adjusted monthly data



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Infoline

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BC at a glance . . .

POPULATION (thousands)	Oct 1/99	% change on one year ago
BC	4,037.2	0.8
Canada	30,572.5	0.8
GDP and INCOME		
(BC - at market prices)	1998	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Dec	3,286	10.4
Merchandise Exports (raw) Dec	2,369	6.7
Retail Sales (seasonally adjusted) Nov	2,807	3.0
CONSUMER PRICE INDEX		
(all items - 1992=100)	Dec '99	% change on one year ago
BC	111.6	1.7
Canada	111.5	2.6
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jan '00	% change on one year ago
Labour Force - BC	2,088	0.6
Employed - BC	1,936	1.8
Unemployed - BC	152	-12.2
		Jan '99
Unemployment Rate - BC *(percent)*	7.3	8.3
Unemployment Rate - Canada *(percent)*	6.8	7.9
INTEREST RATES (percent)	Feb 9/00	Feb 10/99
Prime Business Rate	6.75	6.75
Conventional Mortgages - 1 year	7.60	6.40
- 5 year	8.55	6.90
US/CANADA EXCHANGE RATE	Feb 9/00	Feb 10/99
(avg. noon spot rate) Cdn $	1.4444	1.4935
US $ *(reciprocal of the closing rate)*	0.6921	0.6715
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Dec '99	% change on one year ago
BC	635.95	1.4
Canada	604.46	3.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

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- Current Statistics, February 2000
- Exports, December 1999
- Immigration Highlights, Fourth Quarter 1999

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